

FORM PTO-1594
(Rev. 6-93)

OMB No. 0651-0011 (exp. 4/99)

DEC - 3 1999

RECORD
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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Pilot Industries, Inc.

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State
☐ Other

Additional name(s) of conveying party(ies) attached? ☐ Yes ☐ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date: November 24, 1999

2. Name and address of receiving party(ies)

Name: Bank of America, N.A.

Internal Address:

Street Address: 231 South LaSalle Street, 16th FL

City: Chicago State: ILL ZIP: 60604

- ☐ Individual(s) citizenship
☒ Association
☐ General Partnership
☐ Limited Partnership
☐ Corporation-State
☐ Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? ☐ Yes ☐ No

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

See Schedule A Attached Hereto

B. Trademark Registration No.(s)

See Schedule A Attached Hereto

Additional numbers attached? ☒ Yes ☐ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Stacy L. Denson

Internal Address:

Street Address: Miles & Stockbridge

10 Light Street, 8th Floor

City: Baltimore State: MD ZIP: 21202

01/07/2000 DNGUYEN 00000367 200052 1785230

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41): \$ 165.00

- ☐ Enclosed
☒ Authorized to be charged to deposit account

8. Deposit account number:

20-0052

(Attach duplicate copy of this page if paying by deposit account)

01 FC:481 40.00 CH
02 FC:482 125.00 CH

DO NOT USE THIS SPACE

9. Statement and signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Christine E. Wilson
Stacy L. Denson

Name of Person Signing

Stacy L. Denson
Signature

November 29, 1999

Date

Total number of pages including cover sheet, attachments, and document: 13

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231TRADEMARK
REEL: 002008 FRAME: 0288

SCHEDULE A

LIST OF TRADEMARKS

Jurisdiction	Trademark/ Servicemark	Serial No./ Filing Date	Registration No./ Issue Date
United States	P-Tec		1,785,230; 8/3/93
United States	P-Cap		1,771,451; 5/18/93
United States	E-P-CAP		1,950,142; 1/23/96
United States	ALPHA AUTOMATED		Draft Stage
United States	ALPHA AUDIT		Draft Stage
United States	LERA		Draft Stage
United States	XDA		Draft Stage
United States	LXR 40		Draft Stage
United States	Alpha Automated		Draft Stage
United States	MICRO ARC		2,110,440; 11/4/97
United States	SPARK TECH		2,094,647; 9/9/97
United States	C-P-CAP		2,032,141; 1/21/97

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement") is made as of this 24th day of November, 1999, by PILOT INDUSTRIES, INC., a corporation organized and existing under the laws of the State of Michigan (the "Pledgor"), in favor of BANK OF AMERICA, NATIONAL ASSOCIATION, a national banking association, as administrative agent for the "US Lenders" and the "Dutch Lenders" (as those terms are defined in the Loan Agreement defined below) (the "Administrative Agent").

RECITALS

A. The Pledgor and Pilot Hose & Tube Assemblies, a corporation organized under the laws of The Netherlands (the "Dutch Subsidiary"; each of the Pledgor and the Dutch Subsidiary, a "Borrower" and collectively the "Borrowers") have requested that (i) the US Lenders make available to the Pledgor a reducing revolving line of credit for loans and letters of credit in an amount not to exceed \$85,000,000, and (ii) the Dutch Lenders make available to the Dutch Subsidiary a reducing revolving line of credit for loans and letters of credit in an aggregate principal amount not to exceed \$5,000,000 (the "Credit Facilities"); provided that the aggregate amount of the Credit Facilities shall not exceed \$85,000,000, which extensions of credit the Borrowers will use for the uses permitted by the Loan Agreement.

B. The Credit Facilities are to be made available to the respective Borrowers under the provisions of a certain Loan and Security Agreement dated the date hereof (as amended, restated, supplemented or otherwise modified, the "Loan Agreement") by and among the Administrative Agent, the US Lenders, the Dutch Lenders and the Borrowers. Unless otherwise expressly defined in this Agreement, terms defined in the Loan Agreement shall have the same meaning under this Agreement.

C. The Pledgor has adopted, used and is using certain trademarks as listed on SCHEDULE A attached hereto and made a part hereof and has applied for or has pending the trademarks also as listed on SCHEDULE A (collectively with the goodwill of the business associated with said trademarks, the "Trademarks").

D. The Loan Agreement and certain other Financing Documents contain security agreements under which the Pledgor has granted to the Administrative Agent, for itself and the ratable benefit of the US Lenders and the Dutch Lenders, a Lien on, and security interest in, certain assets of the Pledgor associated with or relating to products sold under any one or more of the Trademarks and under which the Administrative Agent is entitled to foreclose or otherwise deal with the Trademarks under the terms and conditions set forth in the Loan Agreement.

E. The Administrative Agent desires to have the interest of the Administrative Agent in such Trademarks confirmed by a document identifying the same and in such form that it may be recorded in the United States Patent and Trademark Office.

F. As collateral security for the Obligations, whether arising under the Financing Documents or otherwise, the Pledgor has agreed to grant to the Administrative Agent a

continuing security interest in and Lien on the Trademarks and the goodwill of the business associated therewith.

NOW THEREFORE, with the foregoing Recitals being deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

ARTICLE I SECURITY INTEREST

In consideration of and pursuant to the terms of the Loan Agreement and each of the other Financing Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure all of the Obligations, the Pledgor hereby grants to the Administrative Agent, for itself and the ratable benefit of the US Lenders and the Dutch Lenders, a continuing security interest in, and Lien on, the Trademarks, together with all the goodwill of the Pledgor associated with and represented by the Trademarks and any registration therefor, and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits and all rights corresponding thereto throughout the world.

The foregoing security interest is a present grant of a security interest and, upon the occurrence of an Event of Default and notice to the Pledgor from the Administrative Agent, and subject to the filing with and notice to the United States Patent and Trademark Office and subject to Section 4.2 below, the Trademarks shall become assignable in favor of the Administrative Agent or in favor of such person as the Administrative Agent may designate, and may be the subject of such confirmatory instruments as the Administrative Agent may elect, which instruments shall be conclusive evidence of the Event of Default and sufficient to create an absolute assignment in favor of the Administrative Agent or its designee.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Trademark Existence.

The Pledgor represents and warrants to the Administrative Agent, and shall be deemed to represent and warrant to the Administrative Agent each time a Loan is made or a Letter of Credit is issued, that based on the records of the United States Patent and Trademark Office and any state trademark offices and to the best of Pledgor's knowledge and belief:

2.1.1 The registered Trademarks are subsisting and have not been adjudged invalid or unenforceable in the United States or in the jurisdictions in which they are registered.

2.1.2 Each of the registered Trademarks is valid and enforceable in the United States or in the jurisdictions in which it is registered.

2.1.3 Except as set forth on SCHEDULE B to this Agreement, the Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Trademarks, in the United States or in the jurisdictions in which it is registered, each of the Trademarks is free and clear of any Liens (other than Permitted Liens), licenses, and other encumbrances including, without limitation, covenants by the Pledgor not to sue third persons.

2.1.4 The Pledgor has the right to enter into this Agreement and perform its terms.

ARTICLE III COVENANTS AND AGREEMENTS

Section 3.1 New Agreements, Trademarks and Consents.

The Pledgor covenants that until all the Obligations have been paid and performed in full, all Commitments have been terminated or have expired and all Letters of Credit have been cancelled or have expired:

3.1.1 It will not enter into any agreement, including without limitation, license agreements that would have a material adverse effect on the Administrative Agent's rights under this Agreement.

3.1.2 It will exercise reasonable supervision over each of its present and future employees, agents and consultants which will enable the Pledgor to comply with the covenants herein contained.

3.1.3 If the Pledgor acquires rights to any new Trademarks, the provisions of this Agreement shall automatically apply thereto and the Pledgor shall give the Administrative Agent prompt written notice thereof along with an amended SCHEDULE A.

3.1.4 The Pledgor shall, at the Administrative Agent's request, obtain consents to this Agreement where the Pledgor's right to grant a security interest in and Lien on any Trademarks requires such consent.

Section 3.2 Maintenance.

3.2.1 Except as permitted by the provisions of the Loan Agreement, the Pledgor hereby covenants and agrees to maintain the Trademarks in full force and effect until all of the Obligations are satisfied in full, all Commitments have been terminated or have expired and all Letters of Credit have been cancelled or have expired; provided, however that the Pledgor may abandon, sell or otherwise dispose of Trademarks with the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld or delayed.

3.2.2 Except as permitted by the provisions of the Loan Agreement, the Pledgor shall have the duty to (a) prosecute diligently any trademark application that is part of the Trademarks pending as of the date of this Agreement or thereafter to the extent the value of such application in the Pledgor's business justifies such prosecution until the Obligations shall have been satisfied in full, all Commitments have been terminated or have expired and all Letters

of Credit have been cancelled or have expired, (b) preserve and maintain all rights in such applications and/or Trademarks including but not limited to the payment of registration and renewal fees, if any, unless the Pledgor, in the exercise of its reasonable business judgment and with the prior written consent of the Administrative Agent, chooses to abandon a Trademark or pending application for trademark registration and (c) upon reasonable written request of the Administrative Agent, to make federal application for registration of registerable but unregistered trademarks to the extent the value of such application in the Pledgor's business justifies such application for registration. Any expenses incurred in connection with such applications shall be part of the Enforcement Costs. The Pledgor shall not abandon any Trademark or any pending application for trademark registration, without the consent of the Administrative Agent, which consent shall not be unreasonably withheld or delayed.

3.2.3 Prior to an Event of Default, the Pledgor shall have the right to bring suit in its own name to enforce the Trademarks, in which event the Administrative Agent may, if necessary, at its own expense, be joined as a nominal party to such suit if the Administrative Agent shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. If suit is brought subsequent to an Event of Default, the Pledgor shall promptly, upon demand, reimburse and indemnify the Administrative Agent for all damages, costs and reasonable expenses, including attorneys' fees, as they arise incurred by the Administrative Agent in the fulfillment of the provisions of this paragraph.

3.2.4 If the Pledgor fails to comply with any of its obligations hereunder in any material respect, the Administrative Agent may do so in the Pledgor's name or in the Administrative Agent's name, but at the Pledgor's expense, and the Pledgor hereby agrees to reimburse and indemnify the Administrative Agent in full for all reasonable expenses, including reasonable attorneys' fees, incurred by the Administrative Agent in protecting, defending and maintaining the Trademarks.

3.2.5 The Pledgor will continue to use, for the duration of this Agreement, proper statutory identification in connection with its use of the Trademarks.

3.2.6 The Pledgor will continue to meet for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks comparable to the standards met by Pledgor prior to the date of this Agreement.

Section 3.3 Fees and Expenses.

The Pledgor agrees to pay to the Administrative Agent upon demand as part of the Enforcement Costs, any and all reasonable fees, costs and expenses, of whatever kind or nature, including attorney's fees and legal expenses incurred by the Administrative Agent in connection with the preparation of this Agreement and of all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining or preserving the Trademarks, or in enforcing the Administrative Agent's rights therein or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by the Pledgor on demand by the Administrative Agent.

ARTICLE IV EVENTS OF DEFAULT; RIGHTS AND REMEDIES

Section 4.1 Pledgor Use.

Prior to an Event of Default (a) the Pledgor shall have an exclusive nontransferable right to use the Trademarks and (b) the Administrative Agent shall have no right to use the Trademarks or issue any exclusive or non-exclusive license under the Trademarks, or assign, pledge or otherwise transfer title in the Trademarks to any other party. Except as otherwise permitted by the Loan Agreement, the Pledgor agrees not to sell or assign its interest in, or grant any sublicense under, except in the ordinary course of the Pledgor's business and only if such sublicensee is provided notice that the sublicense is subject to the terms of this Agreement, or allow any Lien (other than Permitted Liens) to attach to the rights and interests of the Pledgor described in this Section, without the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld or delayed.

Section 4.2 Certain Administrative Agent Rights.

The Pledgor hereby covenants and agrees that the Administrative Agent, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State of Illinois, and under any other applicable law, following an Event of Default, upon notice to the Pledgor, may terminate the Pledgor's exclusive right to use the Trademarks and grant licenses with respect thereto as set forth in Section 4.1 and may take such other action permitted hereunder or under the other Financing Documents or permitted by applicable Requirements of Law, including the Uniform Commercial Code, in its exclusive discretion, to foreclose upon the Trademarks covered hereby. For such purposes, and in the event of an Event of Default hereunder or in the Obligations, the Pledgor upon the occurrence of an Event of Default hereby authorizes and empowers the Administrative Agent to make, constitute and appoint any officer of Administrative Agent as the Administrative Agent may select, in its exclusive discretion, (with full power of substitution and delegation, in its exclusive discretion), as the Pledgor's true and lawful attorney-in-fact, with the power, without notice to the Pledgor, to endorse the Pledgor's name on all applications, documents, papers and instruments in the name of the Administrative Agent or in the name of the Pledgor or otherwise, for the use and benefit of the Administrative Agent to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for the Administrative Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. In addition to this power of attorney, the Pledgor has agreed to execute and deliver the Trademark Assignment attached hereto as Schedule C; provided, however, that such Trademark Assignment shall not be effective until the occurrence of an Event of Default and until recorded with the United States Patent and Trademark Office following such an Event of Default. The power of attorney granted herein shall be irrevocable for the life of this Agreement, the Loan Agreement, the Financing Documents and other obligations and until all of the Obligations to the Administrative Agent are satisfied in full and all Commitments and Letters of Credit have been terminated or otherwise have expired.

Section 4.3 Rights and Remedies.

All rights and remedies herein granted to the Administrative Agent shall be in addition to any rights and remedies granted to the Administrative Agent under the Financing Documents.

Section 4.4 Release of Security Interest.

Upon the full payment and performance of all of the Obligations and termination or expiration of all Commitments and all Letters of Credit, the Administrative Agent shall, upon the Pledgor's request and at the Pledgor's expense, execute and deliver to the Pledgor all documents, in recordable form, reasonably necessary to terminate this Agreement and release the security interest granted herein.

Section 4.5 No Waiver.

No course of dealing between the Pledgor and the Administrative Agent, nor any failure to exercise, nor any delay in exercising, on the part of the Administrative Agent, any right, power or privilege hereunder or under the Financing Documents shall operate as a waiver thereof, and all of the Administrative Agent's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Documents, or by any other future agreements between the Pledgor and the Administrative Agent or by law shall be cumulative and may be exercised singularly or concurrently.

ARTICLE V
MISCELLANEOUS

Section 5.1 Severability.

The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

Section 5.2 Successors and Assigns.

This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties and shall specifically inure, without limitation, to the benefit of each Person who may from time to time be the "Administrative Agent" under the Loan Agreement.

Section 5.3 Modification.

This Agreement is subject to modification only by a writing signed by the parties and shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

Section 5.4 Captions and Headings.

The section headings in this Agreement are for convenience only, and shall not limit or otherwise affect any of the terms hereof.

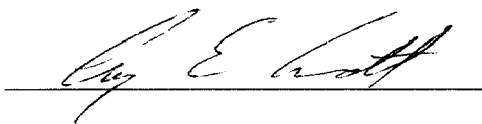
Section 5.5 Governing Law.

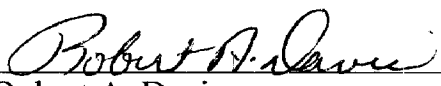
This Agreement shall be governed by and construed in conformity with the laws of the State of Illinois.

IN WITNESS WHEREOF, the Pledgor has executed this Agreement, under seal, the day and year first above written.

WITNESS OR ATTEST:

PILOT INDUSTRIES, INC.

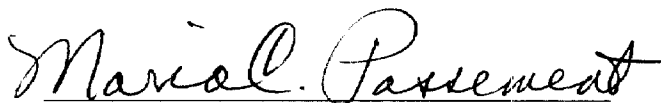


By:  (SEAL)
Robert A. Davis
Chief Executive Officer and Chairman

ACKNOWLEDGMENT

STATE OF MICHIGAN, CITY/COUNTY OF WAYNE, TO WIT:

On this 24th day of November, 1999, before me personally appeared Robert A. Davis, to me known and being duly sworn, deposes and says that he is the Chief Executive Officer and Chairman of Pilot Industries, Inc., a Michigan corporation, the Pledgor; that he signed the Agreement as Chief Executive Officer and Chairman of such corporation pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such corporation; and he desires the same to be recorded as such.



Notary Public
MARIA C. PASSEMENT
Notary Public, Wayne County, MI
My Commission Expires Sept. 22, 2000

My Commission Expires: _____

SCHEDULE A

LIST OF TRADEMARKS

Jurisdiction	Trademark/ Servicemark	Serial No./ Filing Date	Registration No./ Issue Date
United States	P-Tec		1,785,230; 8/3/93
United States	P-Cap		1,771,451; 5/18/93
United States	E-P-CAP		1,950,142; 1/23/96
United States	ALPHA AUTOMATED		Draft Stage
United States	ALPHA AUDIT		Draft Stage
United States	LERA		Draft Stage
United States	XDA		Draft Stage
United States	LXR 40		Draft Stage
United States	Alpha Automated		Draft Stage
United States	MICRO ARC		2,110,440; 11/4/97
United States	SPARK TECH		2,094,647; 9/9/97
United States	C-P-CAP		2,032,141; 1/21/97

SCHEDULE B

NONE

TRADEMARK ASSIGNMENT

THIS TRADEMARK ASSIGNMENT (this "Assignment") is made as of this 24th day of November, 1999 but shall not be effective until the occurrence of an Event of Default and recording with the United States Patent and Trademark Office, as further set forth below, by PILOT INDUSTRIES, INC., a corporation organized and existing under the laws of the State of Michigan (the "Assignor"), in favor of BANK OF AMERICA, NATIONAL ASSOCIATION, a national banking association, as administrative agent for the "Lenders" (as that term is defined in the Security Agreement defined below) (the "Administrative Agent").

Reference is made to that certain Trademark Security Agreement (the "Security Agreement") dated of even date herewith from the Assignor in favor of the Administrative Agent. Terms defined in the Security Agreement and used herein shall have the meanings given to those terms in the Security Agreement.

The Pledgor and Administrative Agent hereby affirm that the Security Agreement is intended to create a security interest in and Lien on the Trademarks (as defined in the Security Agreement), including the goodwill of the Assignor associated with and represented by the Trademarks and any registration therefor, in favor of the Administrative Agent and is not intended to create an outright assignment of the Trademarks until such time as an Event of Default (as defined in the Security Agreement) occurs and the Administrative Agent records this Assignment. The Security Agreement provides that upon the occurrence of an Event of Default, the Trademarks shall become assignable to the Administrative Agent. The Pledgor has agreed to execute and deliver this Assignment in order to effectuate the intended assignment to the Administrative Agent upon the occurrence of an Event of Default without any further action on the part of the Assignor or the Administrative Agent, other than filing this Assignment with the United States Patent and Trademark Office.

In consideration of and pursuant to the terms of the Security Agreement and each of the other Loan Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, the Assignor hereby grants, assigns and conveys to the Administrative Agent all of its present and future right, title and interest in and to, and assignment of, the Trademarks together with all the goodwill of the Assignor associated with and represented by the Trademarks and any registration therefor, and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits and all rights corresponding thereto throughout the world; PROVIDED, HOWEVER, THAT THE FOREGOING ASSIGNMENT SHALL NOT BECOME EFFECTIVE UNTIL THE OCCURRENCE OF AN EVENT OF DEFAULT AND FILING OF THIS ASSIGNMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE.

The foregoing grant and assignment, subject to the filing with and notice to the United States Patent and Trademark Office, constitutes an absolute assignment in favor of the Administrative Agent and filing this Assignment with the United States Patent and Trademark Office shall be conclusive evidence of the occurrence of an Event of Default and absolute assignment.

This Assignment shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

This Assignment shall be governed by and construed in conformity with the laws of the State of Illinois.

IN WITNESS WHEREOF, the Assignor has executed this Assignment under seal, the day and year first above written.

WITNESS OR ATTEST:

PILOT INDUSTRIES, INC.

By: _____ (SEAL)
Robert A. Davis
Chief Executive Officer and Chairman

ACKNOWLEDGMENT

STATE OF MICHIGAN, CITY/COUNTY OF _____, TO WIT:

On this 24th day of November, 1999, before me personally appeared Robert A. Davis, to me known and being duly sworn, deposes and says that he is the Chief Executive Officer and Chairman of Pilot Industries, Inc., a Michigan corporation, the Assignor; that he signed the Assignment as Chief Executive Officer and Chairman of such corporation pursuant to the authority vested in him by law; that the within Assignment is the voluntary act of such corporation; and he desires the same to be recorded as such.

Notary Public

My Commission Expires: _____